



INSURANCE FRAUD INVESTIGATION DIVISION
Kentucky Department of Insurance
909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050
Phone 502-564-1461 – FAX 502-564-1464
Fraud Statistics/Convictions Activity
March 2013

<u>Fraud Statistics</u>	<u>Month/March</u>	<u>YTD</u>
Total Referrals Received.....	131	419
Closed Referrals.....	92	253
Open Cases (Investigations – includes prior years).....		328
Assigned Cases (Investigations).....	10	19
Closed Cases (Investigations).....	9	25
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....		
Charges (8 felony, 2 misdemeanor)	10	51
Convictions (2 felony, 7 misdemeanor)	9	50
Restitution Ordered..... \$	69,675.25	100,803.64
Restitution Agreed..... \$.00	.00
Restitution Total..... \$	69,675.25	100,803.64
Investigation Expenses to Division		
Awarded..... \$	5,778.40	12,682.40
Collected..... \$	12,690.32	19,997.78
DOI Fines..... \$.00	.00
Administrative Subpoenas Issued.....	3	5
Non-Licensed Individuals.....	3	5
Licensed (active/inactive individuals).....		
Subpoenas Received.....	7	13

Convictions Activity March 2013

Christopher Good – Good forged signatures and submitted applications to AFLAC without final approval from the applicants. Good entered a guilty plea to forgery, 2nd degree, a class D felony. Good was sentenced to three years, to be probated. He was placed on diversion for 10 years. Restitution of \$38,367.66 is to be paid to AFLAC. He also was ordered to pay court costs of \$155.

Fred Cooper – While acting as an agent for Western & Southern Insurance Company, Cooper issued and/or produced 171-181 bogus insurance policies using fictitious names, Social Security numbers and addresses. This occurred between August 2007 and October 2010. He obtained commission payments of \$20,789.51 as a result of the fraudulent policies. Cooper pleaded guilty to one count of fraudulent insurance acts greater than \$300 and was sentenced to one year, to be diverted for four years. He was ordered to pay \$10,000 in restitution to the company.

Heather Mays – Mays was originally charged and pleaded guilty to fraudulent insurance acts less than \$300 in July 2005. As part of a plea agreement, all licenses issued by the Department of Insurance were revoked. The agreement also stated that if she engaged in the business of insurance in Kentucky, she would be guilty of a Class D felony. In August 2012, Mays applied for a health agent license and it was discovered she was working for a licensed insurance agency. In January 2013, Mays entered a guilty plea to one count of fraudulent insurance acts \$500 or less. She was sentenced to 12 months in jail, probated for a period of 24 months. She was fined \$1,000 with \$500 suspended and ordered to pay court costs.

Stacey Perkins – Perkins falsified a proof of insurance card and presented it to the Clay County Clerk's office. Perkins pleaded guilty to the charge of fraudulent insurance acts \$500 or less and was sentenced to 12 months, probated for 24 months. She also was fined \$1,000 with \$800 suspended and ordered to pay court costs of \$135. During her probation period, she is required to maintain auto liability insurance on any motor vehicle she owns and operates.

Justin Bauer – Bauer submitted fraudulent applications in order to receive commissions. Bauer pleaded guilty to fraudulent insurance acts less than \$300 and was sentenced to 365 days in jail, conditionally discharged for two years. He was ordered to pay restitution to Bankers Life in the amount of \$7,008.45 and \$1,000 for investigation expenses to the Insurance Fraud Investigation Division.

David Mann – Mann, an agent, paid money out of his own pocket to cover premiums of one of his customers since the money given to him by the customer was no longer available. Mann pleaded guilty to one count of fraudulent insurance acts less than \$500. He was sentenced to six months but was placed in a diversion program. He paid restitution in the amount of \$1,081.75 to Sentry Insurance Company and \$1,000 for investigative expenses to the Insurance Fraud Investigation Division.

Fernando Del Pino – Del Pino, an agent, used dishonest practices or demonstrated incompetence, untrustworthiness or financial irresponsibility, according to Nationwide Insurance. He pleaded guilty to one misdemeanor count of attempted fraudulent insurance acts. He was sentenced to 365 days in jail, conditionally discharged for two years. He also was ordered to pay restitution of \$1,000 to the Insurance Fraud Investigation Division for investigation expenses and court costs in the amount of \$135.

Gina Reynolds – Reynolds obtained optional disability insurance that was to make her car payment if she was off ill or being seen by a doctor. To be eligible, she had to work at least 30 hours a week. After filing a claim, it was discovered that she worked 20 hours a week and the verification document signed by her employer had been altered. She pleaded guilty to the charge of criminal possession of a forged instrument, 3rd degree. She was sentenced to 60 days conditionally discharged after two years and ordered to pay court costs of \$154.